

amount is calculated by scientific formulae. But originally they were as large as the landlord could demand without fear of rebellion or of the death of the tenant. Similar is the history of a manufacturer's profits.¹ They were originally so much of the produce of a slave's industry as were not required to keep him alive. They are now the difference between the selling value of an article and the price which is paid for it—in the form of wages—to the workmen who make it. But they no longer simply express the extorting power of an employer. They include charges for skill in superintendence, and for depreciation of material, which are part of the necessary cost of producing the output. They also include interest charges on the capital cost of buildings and machinery, and on the money advanced in purchasing raw materials and in paying wages. Those who believe in the possibility of collective ownership² will not admit that these charges for interest are unavoidable, and will view them as appropriating, and not as producing wealth. But if, as may well be believed, the community would be unable to raise the necessary capital without borrowing at interest, the capitalist may claim that his charges for interest—at the market rate—are a necessary condition for the effectiveness of labour, and are part and parcel of the cost of production. No such claim can, however, be made on

behalf of
profits that are obtained by means of
a ring. a
trust. or a monopoly. These simply
represent
wealth that is appropriated from other
members
of the community by the possession of a
peculiar
artificial advantage.

Trade enriches the world by
circulating the
produce of industry. But it retains a
very large

■ Gross profits,